



**Internship report**  
**On**  
**Compare and contrast between the general banking---**  
**City bank vs. Agrani bank**

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## **Letter of Transmittal:**

12<sup>th</sup> MAY 2013

Syeda Shaherbanu Shahbazi

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Subject: Submission of Internship report.

Dear Madam

I am pleased to submit the Internship Report as a partial fulfillment of BBA program. I try my best to present this internship report on “Compare and contrast between the general banking system -City bank vs Agrani” bank according to your guideline I tried my best to work sincerely to cover all aspects regarding the matter. Practical exposure is very essential for orientation with the real world working arena. I have learned a sound knowledge and understand on the basic operation of the bank. Though I faced some limitations to prepare the report due to shortage of organized data, time limitation and little knowledge about banking sector, I have thoroughly enjoyed in preparing this internship report which has contributed significantly to my understanding on the essentials and importance practical knowledge.

However, if any need any clarification, suggestions, directions or recommendations for

Further improvement of the report, I will be obligate to provide with further explanation. I

Sincerely hope that you will appreciate my effort

Sincerely yours,

Nasiha Mahfuz Akhtar

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### **Acknowledgement:**

A report book or term paper that requires a lot of information from various concerns is not the work of it authors or prepares only. To prepare a report by collecting the data of many kinds one or group is to depend upon many people and institutions concerned. It is my pleasure to get the opportunity to do my internship report on “Compare and contrast between the general banking system---City bank vs Agrani bank”. I express my cordial gratitude to lecturer of department of business administration, of Brac University for guiding me in the analyzing and preparing this report by providing all kinds of recent updated information which make the report an excellent one.

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## **Executive Summary**

The dynamics of business has crossed its boundaries set decades back and have introduced strong motives of societal well-beings in dispensing business and fiduciary duties. The wind of globalization has also touched Bangladesh and Agrani Bank Limited is being interwoven into the psyche of local businesses. However, the change process is slow and only in its infancy due to not having the proper acceptance at the senior professional ranks or the board. The definition of banking in general terms, the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit. The study of ABL in Bangladesh provides a bird's eye view of how banking engagements are being structured and whether banking initiatives are home grown within organizations or being partnered with other specialized entities. A bank executive suggested that banking has been taken one step up at our organization. We call it sustainability and each bank account holder is also being judged whether he/she is responsible to conduct business with this bank or not. Starting in 1995, the company policy is to have a sustainability fund of 0.75% of net profits to show their commitment to sustaining a CSR initiative. In this report, I have chosen Agrani Bank Limited and City bank as a sample. In this report I have analyzed and distinguish the service of general banking between a public and a private bank.

## Chapter 1

### Introduction

#### **Definition:**

A **bank** is a financial institution that accepts deposits and channels those deposits into lending activities. Banks primarily provide financial services to customers while enriching investors. Government restrictions on financial activities by banks vary over time and location.

On the other hand way we can say, an organization, usually a corporation, chartered by state or federal government, which does most or all of the following: receives demand deposits and time deposits, honors instruments drawn on them, and pays interest on them; discounts notes, makes loans, and invests in securities; collects checks, drafts, and notes; certifies depositor's checks; and issues drafts and cashier's checks can be identified as a bank First modern banking was introduced in 1668 in Stockholm as “Savings Pis Bank”, which opened up a new era of banking activities throughout the European Mainland .In the north Asian region, the Afghan traders popularly known as Kabuli wall as introduced early banking system. Muslim businessman from Kabul, Afghanistan came to India and started money lending business in exchange of interest sometime in 1312 A.D. they were known as “Kabuliwallas

Further Bangladesh Bank (BB) has been working as the central bank since the country's independence. Its prime jobs include issuing of currency, maintaining foreign exchange reserve and providing transaction facilities of all public monetary matters. BB is also responsible for planning the government's monetary policy and implementing it thereby

A commercial bank accepts deposits and pools those funds to provide credit, either directly by lending, or indirectly by investing through the capital markets. Within the global financial markets, these institutions connect market participants with capital deficits (borrowers) to market participants with capital surpluses (investors and lenders) by transferring funds from those parties who have surplus funds to invest (financial assets) to those parties who borrow funds to invest in real assets.

### **Types of banks:**

Banks' activities can be divided into retail banking, dealing directly with individuals and small businesses; business banking, providing services to mid-market business; corporate banking, directed at large business entities; private banking, providing wealth management services to high net worth individuals and families; and investment banking, relating to activities on the financial markets. Most banks are profit-making, private enterprises. However, some are owned by government, or are non-profit organizations.

Central banks are normally government-owned and charged with quasi-regulatory responsibilities, such as supervising commercial banks, or controlling the cash interest rate. They generally provide liquidity to the banking system and act as the lender of last resort in event of a crisis.

### **Types of retail banks:**

- **Commercial bank:** the term used for a normal bank to distinguish it from an investment bank. After the Great Depression, the U.S. Congress required that banks only engage in banking activities, whereas investment banks were limited to capital market activities. Since the two no longer have to be under separate

Ownership, some use the term "commercial bank" to refer to a bank or a division of a bank that mostly deals with deposits and loans from corporations or large businesses.

- **Community banks:** locally operated financial institutions that empower employees to make local decisions to serve their customers and the partners.
- **Community development banks:** regulated banks that provide financial services and credit to under-served markets or populations.
- **Postal savings banks:** savings banks associated with national postal systems.
- **Private Banks:** banks that manage the assets of high net worth individuals.
- **Offshore banks:** banks located in jurisdictions with low taxation and regulation. Many offshore banks are essentially private banks.



- **Savings bank:** in Europe, savings banks take their roots in the 19th or sometimes even 18th century. Their original objective was to provide easily accessible savings products to all strata of the population. In some countries, savings banks were created on public initiative; in others, socially committed individuals created foundations to put in place the necessary infrastructure. Nowadays, European savings banks have kept their focus on retail banking: payments, savings products, credits and insurances for individuals or small and medium-sized enterprises. Apart from this retail focus, they also differ from commercial banks by their broadly decentralized distribution network, providing local and regional outreach—and by their socially responsible approach to business and society.
- **Building societies and Landsman's:** institutions that conduct retail banking.
- **Ethical banks:** banks that prioritize the transparency of all operations and make only what they consider to be socially-responsible investments.
- **Islamic banks:** Banks that transact according to Islamic principles.

#### **Types of investment banks:**

- Investment banks "underwrite" (guarantee the sale of) stock and bond issues, trade for their own accounts, make markets, and advise corporations on capital market activities such as mergers and acquisitions.
- Merchant banks were traditionally banks which engaged in trade finance. The modern definition, however, refers to banks which provide capital to firms in the form of shares rather than loans. Unlike venture capital firms, they tend not to invest in new companies.
- Universal banks, more commonly known as financial services companies, engage in several of these activities. These big banks are much diversified groups that, among other services, also distribute insurance— hence the term bank assurance, a portmanteau word combining "banque or bank" and "assurance", signifying that both banking and insurance are provided by the same corporate entity.

### Other types of banks:

- Islamic banks adhere to the concepts of Islamic law. This form of banking revolves around several well-established principles based on Islamic canons. All banking activities must avoid interest, a concept that is forbidden in Islam. Instead, the bank earns profit (markup) and fees on the financing facilities that it extends to customers.

**Finance** is the science of funds management. The general areas of finance are *business finance*, *personal finance*, and *public finance*. Finance includes saving money and often includes lending money. The field of finance deals with the concepts of time, money and risk and how they are interrelated. It also deals with how money is spent and budgeted.

Finance works most basically through individuals and business organizations depositing money in a bank. The bank then lends the money out to other individuals or corporations for consumption or investment, and charges interest on the loans.

Loans have become increasingly packaged for resale, meaning that an investor buys the loan (debt) from a bank or directly from a corporation. Bonds are debt instruments sold to investors for organizations such as companies, governments or charities. The investor can then hold the debt and collect the interest or sell the debt on a secondary market. Banks are the main facilitators of funding through the provision of credit, although private equity, mutual funds, hedge funds, and other organizations have become important as they invest in various forms of debt. Financial assets, known as investments, are financially managed with careful attention to financial risk management to control financial risk. Financial instruments allow many forms of securitized assets to be traded on securities exchanges such as stock exchanges, including debt such as bonds as well as equity in publicly-traded corporations.

Central banks, such as the Federal Reserve System banks in the United States and Bank of England in the United Kingdom, are strong players in public finance, acting as lenders of last resort as well as strong influences on monetary and credit conditions in the economy.

### **ABL at a glance:**

Commercial bank provides us a complete lifestyle financial perspective. Main objective of commercial lifestyle is to be successful both in our mortal and immortal life.

A group of established, dedicated and pious personalities of Bangladesh are the architects and directors of the Bank. Among them a noted Islamic scholar, economist of Bangladesh government Khondoker Bazlul Hoque, PhD is the founder chairman of the bank. His progressive leadership and continuous inspiration provided a boost for the bank in getting a foothold in the financial market of Bangladesh.

A group of 13 dedicated and noted Banker personalities of Bangladesh are the member of Board of Directors of the bank. They are also noted for their business acumen. ABL. has 879 branches and a total of 20000+ employees (up to December 2011). Its authorized capital is Taka 800 crore and the paid-up capital is Taka 497 crore.

Wisdom of the directors, Commercial bankers and the wish of Almighty Allah make ABL. most modern and a leading bank in Bangladesh.

### **Highlight of Agrani Bank Limited (ABL)**

- **Establishment:** Agrani Bank Limited (ABL) is established in 1972. It is a state owned bank.
- **Capital and Profit:** Agrani Bank Limited is a Bank with an Authorized Capital and Paid-up Capital of Tk.800.00 million and Tk.248.00 million respectively. The total equity of the bank stands at 725.00 million as on December, 2010. The total profit of last year is about Tk.680.00 million
- **Branches:** There are about 867 branches in which 10 branches are corporate. There are about 341 town branches and 526 rural branches.
- **Management:** The board of directors is consisted of 11 members. The Chairmen and Directors are nominated by government. Agrani Bank Ltd., the only commercial bank was established by a group of winning local entrepreneurs conceiving an idea of creating a

model banking institution with different outlook to offer the valued customers, a comprehensive range of financial services and innovative products for sustainable mutual growth and prosperity.

The sponsors are reputed personalities in the field of trade, commerce and industries.

The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customers' needs. The scenario of banking business is changing day by day, so the bank's responsibility is to devise strategy and new products to cope with the changing environment. Agrani Bank Ltd. has already achieved tremendous progress within only two years. The bank has already ranked as one of the quality service providers & is known for its reputation

## **HISTORY**

Agrani Bank Limited in pursuance of Bangladesh banks (nationalization) order 1972 (P.O. No-26 of 1972) came into being in 1971 taking over the assets and liabilities of the east while Habib bank ltd. And commerce bank ltd. Functioning in the then East Pakistan. The bank started operation with 249 branches with its head office in Dhaka. In principle, it changed its motto from class banking to mass banking. As there had been poor banking structure and it failed to build sound banking infrastructure by local entrepreneurs before independence and the newly born independent country was down with enormous economic problem, the new govt. Of the country had to build the banking infrastructure, expedite the economic growth and spread the banking service to the doorsteps of the rural poor so that they get institutional financial help and participate in the economic activities the country. Agrani Bank Limited being one of the largest nationalized commercial bank must shoulder the responsibility of expanding its network in rural area. Presently bank has its 408 branches out of total 866 branches located in rural areas implementing as many as 29 programs targeting rural people. At present in the annual report of 2007, 866 branches are existed. It assisted above 29.59 lac rural farmers, small entrepreneurs and destitute women with an amount of TK. 1419.53 crore (2007). Banks in private ownership did never undertake such venture during pre independence period. Besides these non-profits banking activity, Agrani Bank Limited has been performing its 'usual commercial functions. It authorized capital increased from TK. 5.00 billion in 1972 to TK. 8.00 Billion in

2007, paid up capital increased from TK.1.00 billion to TK. 2.4 billion, deposit increased from TK.9.62 billion to TK. 135.92 billion, advanced increased from TK.7.66 billion to TK.118.49 billion, investment increased from TK. 1.10 billion to TK 22.19 billion total number of branches increased from 249 to 866 officers increased from 796 to 6791 and staff increased from 1471 to 6012 during the period from 1972 to 2007. On 15 November 2007 Agrani Bank Limited transferred to Agrani Bank Limited by a Vendors Agreement with government. All the Assets & Liabilities of Agrani Bank were taken over by Agrani Bank Limited. All the shares of Agrani Bank purchased by the Government & now the status of Agrani Bank Limited turned from Nationalized Commercial Bank to Government Commercial Bank as a Public limited company. This reform had been done by Management Advisory Team (MAT) in pursuit of the long-term goals of reform, modernization and commercialization. In 2004, the Ministry of Finance appointed

### **Vision:**

To be pioneer in Commercial Banking in Bangladesh, and contribute significantly to the growth of the national economy.

### **Mission:**

- ❖ Quality financial services adopting the latest technology.
- ❖ Fast and efficient customer service.
- ❖ Maintaining high standard of business ethics.
- ❖ Balanced growth.
- ❖ Steady & competitive return on shareholders' equity.
- ❖ Innovative banking at a competitive price.
- ❖ Attract and retain quality human resources.
- ❖ Extending competitive compensation packages to the employees.
- ❖ Firm commitment to the growth of national economy.
- ❖ Involving more in Micro and SME financing.

### **Commitments:**

- ❖ Ours is a customer focused modern commercial banking sound and steady growth in both mobilizing deposit and making quality Investment to keep our position as a leading Commercial bank in Bangladesh.
- ❖ To deliver financial services with the touch of our heart to retail, small and medium scale enterprises, as well as corporate clients through our branches across the country.
- ❖ Our business initiatives are designed to match the changing trade & industrial needs of the clients.

### **Ethical standards of ABL:**

- ❖ **Be trustful:** we believe in mutual trust and treat our customers in a way so they can trust us.
- ❖ **Keep an open mind:** for continuous improvement of our bank we keep our minds to open to new ideas. We seek opinions and feedback from both customers and team members through whom our bank will continue to grow.
- ❖ **Meet obligations:** regardless of the circumstances, we do everything to gain the trust and confidence of customers and clients by honoring our commitments and obligations.
- ❖ **Be transparent:** we are transparent in our dealings with customers and stakeholders. We reevaluate all printed materials including advertising, brochures, and other business documents making sure that they are clear, precise and professional.
- ❖ **Be involved with the community:** we remain involved in the community related issues and activities, thereby demonstrating that our business is socially responsible.

### **Emergence of ABL:**

ABL was incorporated as a public limited company on 17 May 2007 with a view to take over the business, assets, liabilities, rights and obligations of the former Agrani Bank, which emerged as a

nationalized commercial bank in 1972, pursuant to the Bangladesh Banks order, 1972, on a going concern basis through a Vendors agreement. The agreement was signed between the Ministry of Finance, Government of the Peoples Republic of Bangladesh on behalf of the former Agrani Bank and the board of directors of the bank on behalf of Agrani Bank Limited on 15 November 2007 with retrospective effect from 01 July 2007.

All shares of the bank are held by the Government of the Peoples Republic of Bangladesh and 12 other shareholders nominated by the government. The bank has 879 branches as of 31 December 2011 with no overseas branch.

The bank has, however, two whole owned subsidiary companies named Agrani Exchange House Ltd in Singapore and Agrani Remittance House SDN, BHD in Kuala Lumpur, Malaysia.

### **Product and services:**

#### **a. Deposits:**

- Current deposits (CD).
- Call Deposits.
- Savings Deposits (SB).
- Fixed Deposits
  - ✓ 3 months.
  - ✓ 6 months.
  - ✓ 1 year.
  - ✓ 2 years and above.
- Special Notice Time Deposits (SNTD).
- Non Residence Special Taka Account.
- NR investors Taka Account.
- Agrani Bank Pension Sanchay Prokalpa (APS).
- Agrani Bank Bishesh Sanchay Scheme (ABS).

#### **b. Foreign Currency Deposit Accounts**

- Foreign Currency Account.

- Non Resident Foreign Currency Deposit.

**c. Loans & Advances**

- Cash Credit (Hypo).
- Cash Credit (Pledge).
- Secured Overdraft (SOD).
- Temporary Overdraft (TOD).
- Industrial credit (IC).
- Inland Bills Purchased (IBP).
- Staff Loans.
- Loans (Others).
- Housing Loan General & Commercial,
- Consumer Credit.
- Loan for Overseas Employment.
- Advance against salary.
- Rural & Agro Credit.
- Small & Medium Enterprises Loan.
- Weaver's Credit.
- Export Cash Credit.
- Import Finance.
  - ✓ Loans against Imported Merchandise (LIM).
  - ✓ Loan against Trust Receipt (LTR).
  - ✓ Loans against Export Development Fund (EDF).
  - ✓ Payment against Document (PAD).
- **Export Finance**
  - ✓ Export Cash credit.
  - ✓ Pre-shipment credit.
  - ✓ Packing credit.
  - ✓ Foreign Bills Purchased (FBP).



**d. Treasury**

**i. Primary Dealer Unit:**

- ✓ Treasury Bills.
- ✓ Treasury Bonds.
- ✓ REPO.
- ✓ Reverse REPO.

**ii. Forex & Fund Management:**

- ✓ Import/Export Financing.
- ✓ Custodian Services.
- ✓ Money Market Lending.

**e. Special Services**

**i. Cash Services:**

- ✓ ATM services.
- ✓ Cheque Encashment.
- ✓ Foreign Currency.

**ii. Fund Transfer:**

- ✓ Inter Branch Money Transfer
- ✓ SWIFT.
- ✓ Telegraphic Transfer.
- ✓ Issuing & encasing.

**iii. Value Added Services:**

- ✓ Locker Service.

**f. Other services**

**i. Letters of credit:**

- ✓ Letters of Credit Sight.
- ✓ Letters of Credit Usance.
- ✓ Back to Back L/C.

**ii. Letters of Guarantee:**

- ✓ Advance Payment Guarantee.
- ✓ Big Bond.

- ✓ Performance Bond.
- ✓ Shipping Guarantee.
- ✓ Guarantee – Others.

**g. New Products & Services introduced in 2011**

- Merchant Banking Unit.
- Agrani Bank Sanchay Scheme.
- Loan for Overseas Employment.
- Islamic Banking Unit.
- Monthly income scheme(MIS)

General banking sector of ABL is consists of account opening, clearing, daily position and cash.

## Hierarchy Of Agrani Bank



**Figure: The Chain of Command**

Foreign Remittance: Agrani Bank Ltd. has a network of 25 branches in Bangladesh and 8 more branches are going to be added to network soon. Remittance services are available at all branches and foreign remittances may be sent to any branch by the remitters favoring their beneficiaries.

Remittances are credited to the account of beneficiaries instantly through

Electronic Fund Transfer (EFT) mechanism or within shortest possible time credit Facilities: The main focus of Agrani Bank Ltd. Credit Line/Program is financing business, trade and industrial activities through an effective delivery system. Agrani Bank

Ltd. offers credit to almost all sectors of commercial activities having productive purpose.

The loan portfolio of the Bank encompasses a wide range of credit programs. Credit is also offered to major thrust sectors, as earmarked by the govt., at a reduced interest rate to develop frontier industries. Credit facilities are offered to individuals including housewives, businessmen, small and big business houses, traders, manufactures, corporate bodies, etc.

## Job Description

### Customer Service Officer

Being a customer service officer of Agrani bank the primary role is to respond to a variety of customer requests and inquiries via the telephone or in person over the counter. The range of inquiries and requests customer service officers may respond to include:

- Inquiries and requests on banking products and services such as savings, cheque, business and loan accounts, telephone banking and internet services.
- Inquiries about death and disability insurance and income protection.

On the other hand there are many responsibilities as well they are

- Receive and respond to customer service account inquiries on account balances, transaction detailed, statements and fees and charges.
  - Open new accounts/Closing accounts
  - Alterations to existing savings and cheque accounts
  - Inquiries for home, car and personal loans
  - Handling cash transactions and cash balancing
  - Overseas transfers
  - Set up periodical payment authorities on accounts
  - Promote bank products and services
  - Identify customer needs
  - Refer customers to appropriate banking services and representatives.
  - Receive deposits and issuing funds upon request
  - Open new savings accounts
  - Issue ATM cards and changing customer passwords
  - Provide product brochures for customers
  - Refer customers who request to open business accounts and business credit cards to
- Customer Service Supervisor
- Refer customers who request loan, superannuation and insurance products to a financial adviser or financial planner .Pay interest only on the money you use, when fees and charges are paid on time.

## **Critical observation and recommendation**

Being a customer service officer it is being critically observed that there are variety of customers with different needs and demand. Different customers have different problems such as the most common problem among the customer which is found that , when any customer enter the bank they does not know in which counter they should go to get the service that they need . so therefore being an intern in the agrani bank it had been my duty to take the customer to their desired desk.

Further in such cases I would recommend that every desk should have a written board so that the customer gets o knows easily which one is the customer service department and which is the loan department.

## Chapter 3

### Summary

The project is all about the compare and contrast between a public and a private bank which is Agrani bank vs. City bank. More over in this project I have been focusing on the general banking for both the banks .mainly the product and the service that they are providing to the customer the difference between their marketing strategies, employment working environment and so on. Each bank maintains different strategies to provide their products to the customers. The report also contains the whole process of general banking of City bank as well as Agrani bank ltd. A questionnaire set has been also made in this report for the customers to make an analysis and compare between the banks.

**Description** The project is all about the difference between he the general banking system of City bank and Agrani bank

As a Commercial bank, ABL are singular in every positive aspect. They provide a bunch of state-of-art banking services within the wide bracket of general banking. They are unique with their products, strict with principle and uncompromising with our honesty. Some of their special features that make us notable in Commercial banking sector are as follows:

- ❖ All activities of ABL are conducted under a profit/loss based system according to Central Bank rule to get the nation rid of Usury.
- ❖ During the year 2007, 70% of the investment income has been distributed among the Mudaraba depositors.
- ❖ In 2011, ABL has included online banking in its wide range of services. Bangladeshi software has been introduced in this feature to promote the local developers.
- ❖ ABL regularly arranges its AGMs (Annual General Meeting). Whenever needed EGMs (Extraordinary General Meeting) are also arranged.
- ❖ We regularly pay dividend to our valued shareholders. For the year of 2011, we declared 30% bonus dividend to our shareholders.
- ❖ The bank is committed towards establishing a welfare-oriented banking system to meet

the needs of low income and underprivileged class of people.

- ❖ The Bank upholds the Islamic values of establishment of a justified economic system through social emancipation and equitable distribution of wealth.
- ❖ Following the Commercial banking traditions, it is assisting in the economic progress of the socially deprived people; in the creation of employment opportunities and in promotion of rural areas to ensure a balance development of the country.

On the other hand City Bank is one of the oldest private Commercial Banks operating in Bangladesh. It is a top bank among the oldest five Commercial Banks in the country which started their operations in 1983.

City Bank is among the very few local banks which do not follow the traditional, decentralized, geographically managed, branch based business or profit model. Instead the bank manages its business and operation vertically from the head office through 4 distinct business divisions namely

- I. Corporate & Investment Banking;
- II. Retail Banking (including Cards);
- III. SME Banking; &
- IV. Treasury & Market Risks.

- City Bank is the first bank in Bangladesh to have issued Dual Currency Credit Card
- City Bank has launched American Express Credit Card and American Express Gold Credit card in November 2009
- It also provides incredible privileges all over the globe with more than 13,000 offers at over 10,000 merchants in 75 countries.
- City Bank prides itself in offering a very personalized and friendly customer service. It has in place a customized service excellence model called CRP that focuses on ensuring happy customers through setting benchmarks for the bank's employees' attitude, behavior, readiness level, accuracy and timelines of service quality.
- City Bank is one of the largest corporate banks in the country with a current business model that heavily encourages and supports the growth of the bank in Retail and SME Banking.



- The bank is also very active in the workers' foreign remittance business.

**Objective of the project** The objective of the report includes looking into the present structure of the bank and strategies being followed, and identifying the impediments / core problems in this structure that are hindering the bank from making progress in the competitive market. The objective of the study is to gain the relationship between theoretical and practical learning and the real life situation of agranibank in operating Collection Team. The various concepts, which I have learnt from different courses during my BBA program, influencing an organization in various aspects, are considered chiefly here

### **General Objectives**

The general objective of this report is to gain knowledge about the company and its current Functions and also discussing about some problem issues faced by the company

### **Specific objective**

- To give an overview on bank and its services..
- To evaluate the performance of loan collection team and find out the possibilities for an effective collection process.
- Finding out the shortcomings of the bank in its collection operations and providing some recommendation.

### **Methodology**

#### **Research Design:**

For the purpose of the study, data were collected from both Primary and Secondary sources.

#### **Primary data:**

- Day to day desk work
- Personal observation of the bank officials
- Discussion with the bank officials
- Discussions with the clients.
- Different file study and case history of bank's parties

### **Secondary data:**

Secondary data was collected from different sources to develop a better report. These sources are given below:

- Annual report of the organization
- Different manual published by the Bangladesh Bank
- Different publications and journals &
- ABL website

### **Limitations**

There were certain limitations while conducting the study. These are summarized below:

- The main obstacle while preparing this report was time. As the tenure of the internship Program was very short; it was not possible to highlight everything deeply.
  - Sufficient records, publications were not available as per my requirement.
  - Work pressure in the office was another limitation restricting this report from being more detailed or analytical.
  - Confidentiality of information was another barrier that hindered the study
- . Every organization has its own secrecy that is not revealed to someone outside the organization. While collecting data at the City Bank Limited, personnel did not disclose enough information for the sake of confidentiality rule of the organization

## **CHAPTER 4**

### **SWOT ANALYSIS**

### **Agrani bank ltd**

### **The strengths**

- Agrani bank is a State owned bank.
- So it has a wide image
- Unlimited trustiness about ABL to rural people
- High commitments for customers
- Qualified and experiences personnel etc.

### **The weaknesses**

- Absence of service providing mentality,
- As agrani is a public bank so there is an absence of IT applications
- Agrani bank is mainly manual based,
- There are less extracurricular services for the employees so there is a lack of motivation of workers
- Everything depends on Head office.

### **The opportunities of ABL are:**

- High demand of credit
- High demand of small enterprise financing,
- High demand of remittance facility,
- High demand of investment by depositing

The broader **business environment** may shift in favor of ABL. This may be caused by:

- Political, legislative or regulatory change. For example, a change in legislation to increase paid up capital up to BDT 2000 Million forced some small local bank to merge with some other big banks.
- Economic trends .For example, falling interest rates reducing the cost of capital.
- Social developments. For example, demographic changes or changing consumer requirements leading to an increase in demand for the products.
- New technology. For example, new materials, processes and information technology

. **The threats of ABL are:**

- Interfere of CBA and Officers' Somiti
- Some commercial and foreign banks

The broader **business environment** may alter to your disadvantage. This may be the result of:

- Political, legislative or regulatory change. For example, new regulation increasing your costs or requiring product redesign.
- Economic trends. For example, lower exchange rates reducing the income from overseas.
- Social developments. For example, consumer demands for their individual need friendly products.
- New technology. For example, technology that makes the products obsolete or gives competitors an advantage.

### **City bank ltd**

#### **Strength**

- **American Express Credit Card:** The City Bank Ltd. has launched both local and dual currency (BDT & Dollar) Amex Credit Cards on 7<sup>th</sup> November, 2009. According to the claws of the agreement, CBL is going to be the sole provider and dealer of Amex cards in Bangladesh. Brand image of Amex is certainly going to leverage the brand reputation of City Bank Ltd.
- **New management:** City Bank's management team has significantly changed since the year 2007.. New and new departments like NFB (Non funded business), Policy & analysis etc are opened for better operation purposes.
- **Experience:** City Bank Ltd. has been in the industry for around 25 years. This long period of existence in the industry has helped CBL to gain in-depth knowledge about the industry trends as well as helped to build up strategic partnership with many corporations which most other banks could not achieve in the shorter period of time.
- **Availability of Branches:** Currently CBL has 82 Finical (Online) branches, 1 full fledged Islamic Banking Branch and 5 SME centers throughout the country. This big

number of branches is giving easy access to their customer which is a huge advantage of CBL over its customers.

### Weaknesses

- **Low remuneration package:** Compared to other banks, CBL's remuneration package is poor. With this lower payment policy, CBL won't be able to hire the best executives of the country and might even lose their existing brilliant executives to other banks.
- **Lower service quality:** Compared to HSBC or SCB, CBL's service standard is way lower. Except few selected branches (Dhanmondi, Gulshan branch), most other banks don't even have posh and neat interior decoration. Customers are not treated according to their expectation level and service is very slow.
- **Existing elderly employees:** A big percentage of CBL employees are working in this bank over 15 years. The new management is finding it hard to deal with these employees, especially with them who are reluctant to accept new policies and change within the organization. Now it's a matter of question for the CBL top management that whether to find an appropriate exit strategy for these employees or whether to arrange appropriate training programs to educate them.
- **Poor Brand Image:** Prior to the launching of Amex Cards, CBL had negative brand image among its customers which lasted for more than 20 years. Now it would be difficult for this new management to change this brand image all of a sudden.

### Opportunities

- **Credit Card Business:** The card business of Bangladesh is booming since last few years. ATM's, Debit cards & Credit cards are becoming a priority product both for the customers and bank itself. A major portion of the Bank's income comes from card business. CBL has already launched AMEX Credit Cards on 7<sup>th</sup> November, 2009. This is certainly going to boost their card business and brand image. In addition, CBL is looking forward to include Master Card in their card business. They are hoping to bring Master Card by July, 2010. Both these brands possess huge potential for CBL to grow as the leader in the card business in Bangladesh.

- **Online Banking:** With the advancement and availability of technology, the need for online banking is getting more priority. Both foreign and local banks are moving towards online banking to ease the transaction process for the customers. CBL too, has taken some tremendous efforts. They have already converted 83 of their branches into online branch and providing certain services through internet.
- **Automation:** Since 2007, one of CBL's major projects was to automate its operation by using latest technology and software. Currently all of their branches are connected through intranet. This network based banking is making the overall departmental jobs much easier and faster, ensuring better and much faster customer service. CBL employees are also using software called 'Finacle' which helps them to track information and data about their customers within a matter of minutes. This move towards automation will certainly provide CBL a big advantage over other banks in the industry.

### Threats

- **VISA Credit discounts:** We have already mentioned that CBL has undertaken an ambitious project of American Express in the card segment of the banking industry. However, the card segment of Bangladesh is already dominated by Visa credit cards. Moreover, right after the launch of Amex Cards, several banks (i.e. standard chartered bank) has undergone significant discounts in their visa card offerings. Under these circumstances, further promotional efforts in Visa by other banks can possess a devastating effect in CBL's Amex Project.
- **Failure to establish AMEX brand image:** Compared to the existing foreign banks, CBL's brand reputation is considered somewhat poor. Especially in case of service quality. With the existing brand image of its own, CBL might fail to establish AMEX brand image properly.
- **Maintaining a broad target market:** CBL's target market consist of consumers from lower class to consumers with high net worth. Recently undertaken 'Celtic Project' is designed for solely the elite class of Bangladesh. However, with limited training, the existing employees might turn to provide inefficient service to these different classes of people, especially since the expected service quality of the upper class is much different than the lower classes.

From the above SWOT analysis it can be identified that both the companies have some advantages and some lack ages of their own. When on one hand being a private bank city bank is being able to provide a good working environment and having the latest technologies, on the other hand being a public bank Agrani bank is lacking behind. Similarly being a public bank Agrani bank is a stated owned bank so it is mostly trusted by the rural people. Also the existence of agrani bank is more than the city bank.

## **CHAPTER 5**

A financial institution intermediary that mediates or stands between ultimate borrowers and ultimate lenders is known as banking financial institution. Banks perform this function in two ways-taking deposits from various areas in different forms and lending that accumulated amount of money to the potential investors in other different forms. General banking department aids in taking deposits and simultaneously provides some ancillaries services. General banking is the

front side banking service department. It provides those customers who come frequently and those customers who come one time in banking for enjoying ancillary services. In some general banking activities, there is no relation between banker and customers who will take only one service form bank. The Banking practices and General Banking Functions under City bank ltd are doing its business frequently. It is an important department for all banks because it provides day today service to the customers. Front Desk is the important for general banking. Customers give their deposits and meet their demand for cash by honoring cheques. Besides this a customer opens new accounts, remit funds, issues bank drafts and pay orders etc. There are various sections in this department, which are as follows:

1. Cash Section
2. Accounts Opening Section
3. Cheque
4. Clearing Section
5. Remittance Section

### **The distinguish between the general banking process of City bank vs Agrani bank**

#### **Cash section of city bank**

The most vital and important section of the branch is cash department. It deals with all kinds of cash transactions. This department starts the day with cash in vault. Each day some cash that is opening cash balance are transferred to the cash officers from the cash vault. Opening cash balance is adjusted by cash receipts and payments. This figure is called closing balance. This balance is then added to the vault. This is the final cash balance figure for the bank at the end of any particular day. There is an important clause and duty practiced by the branch is to refund the principal amount that exceeds more than tk. 1 crore at the principle branch of the bank.

Books maintained by this section

- Vault register: it keeps account of cash balance in vault in the bank.
- Cash receipt register: cash receipt in whole of the day is recorded here.
- Cash payment register: cash payments are made in a day are entered here.

The banking practices and general banking

Functions under city bank ltd are



Rough vault register: cash calculation for final entry in vault register is done here as any error and correction here is not acceptable cash balance book :balance here is compared with vault register. If no difference is

Found, indicates no error functions of cash department

1. Cash payment is made only against cheque
2. This is the unique function of the banking system, which is known as payment on demand
3. It makes payment only against its printed valid cheque. it receives deposits in form of cash
4. It collects money only its receipts forms.

### **Cheque cancellation or cash payment process**

#### **Step 1**

Receiving cheque by the employee in the cash counter. Verification of the followings by the cash officer in the computer section

#### **Step 2**

Date of the cheque (present within 6 months from issue date)

The banking practices and general banking

Functions under city bank it discussed from this branch amounts in figure and sentence written does not differ signature of the drawer does not differ cheque is not torn or mutilated

#### **Step 3**

Gives pay cash seal and sends to the payment counter

#### **Step 4**

Payment officers make payment

### **Cash section of Agrani bank**

Cash section is the core department for any branch of bank. The main task of cash section is to receive cash from different types of parties as well as to pay cash to different types of parties. And computer section is sister concerned section of cash section where all types of cash payment

and receive are recorded and does some other special task such as: record the information of new accountholder, up-dated informative of account holder etc

**Sources of cash receive:**

- Deposit collection from different accountholders
- Receive for P.O; TT; DD
- Money receives for share application.
- Receive from PSS holders.
- Receive from FDR holders.
- Receive by selling prize bond
- Receive for DESA and WASA bill

**Sources of cash payment:**

- Interest payment to different account holders
- 2. Int. payment of PSS and FDR
- 3. Meet internal disbursement (Office rent, T&T bills, WASA bill for office etc.)
- Payment against valid cheque.
- Payment of TD for PO, TT, DD.
- Payment for purchasing prize bond.

**Register that are used in cash section:**

- Payment to the Register.
- Receipt from Register.
- Vault Register.
- Rough Vault Register.
- Balance Statement Register.
- DESA Bill Register.
- WASA Bill Register etc.

**Process of Cash Receive:**

**Step-1:** Authorized Cash officer makes an entry to scroll register book after placing deposit Slip.

**Step-2:** Take taka and count carefully and makes entry to another register.

**Step-3:** Write the denomination of currency on the backside of voucher.

**Step-4:** Pass register to second cash officer.

**Step-5:** Second cash officer verify the receipt, return the counter folio of deposit slip and keep another portion in his custody.

**Step-6:** Return counter folio of deposit slip and unused slip of instrument to party.

**Used register, voucher and seal in case of cash received:**

- Pay-in-slip
- Credit voucher.
- Cash receive Register.
- Scroll register etc.

**Process of cash payment:**

**Step-1:** To take instrument! Cheque:

**Step-2:** To check the instrument, specially the data of cheque, figure in word and number, signature of the party.

**Step-3:** Send the instrument to conciliate officer, he will examine at as well the instrument carefully and verify the signature of party with SS card.

**Step-4:** It will be posted in computer to debit a/c.

**Step-5:** If fund available, the authorized officer will cancel the cheque and put a seal a pay cash.

**Step-6:** To entry in payment register.

**Step-7:** To write denomination of currency on the back side of the instrument. **Step-8:** Cash officer will pay cash to party.

**Step-9:** Cash officer also will affix 'CASH PAID' seal.

**Step-10:** Finally instrument will be sent to account section.

**Used seal register, voucher and seal in cash of payment:**

- Cheque, PO, SDR, MPS, ID etc.
- 'CASH PAID' seal
- Cash payment register.
- Cheque returns register.
- 'PAY CASH' seal etc.

**Functions of computer section:**

1. Posting all cash receipt and cash payment.
2. Record the information of new account holder.
3. to up-date the information of present account holder after informing from account holder.
4. Verify the signature of client with SS card.
5. Cancel the cheque.
6. To communicate with account holder through cell or telephone if the presented cheque is suspicious.
7. To provide statement of account of different account holder.
8. To tell the remaining balance of account holder if account holder request

**Account opening section of city bank**

Account opening section is an important factor for banks because customer is the main source of bank. Selection of customer is another important factor. Bank's success and failure largely depends on their customers. If customer is not superior then they may create fraud and other problems by their account with bank and thus destroy the goodwill of the banks. Therefore, bank must be conscious in selecting its customer. For this reason al-

City bank ltd keep key information system .accounts opening process recently, bangladesh bank has been declared, designed and enforced a unique format of form for every banks. This format should hold the important document in a same manner and process respectively for different kind of accounts. The banking practices and general banking

Functions under city bank ltd

**Step 1**

Receiving filled up application in bank's prescribed form mentioning what type of

Account is desired to be opened. The form is filled up by the applicant himself/ herself

Two copies of passport size photographs from individual are taken and in case of firms

Photographs of all partners are taken officer are taken information from customer by key information system

**Step 2**

- Applications must submit required documents

- Applications must sign specimen signature sheet and give mandate
- Introducer's signature and accounts number verified by legal officer

#### Step 3

- Filling & signing up keys or know your customer form
- Filling & signing up owner information form

#### Step 4

Authorized officer accepts the application

#### Step 5

Minimum balance is deposited only cash is accepted

#### Step 6

Account is opened and a cheque book and paying slip book is given Information collected to open account accounts opening information that is collected by the city bank ltd varies for each type of account.

#### Individual

- name
- present and permanent address
- date of birth and age
- nationality
- tax information number (tin if available)
- passport or certificate provided by the employer
- photograph of the account holder
- one photograph of the nominee should be correctly attested by the account holder.
- nominee declaration form
- money laundering leaflet

#### Partnership firm

- all the required information mentioned for individual accounts; along with,
- copy of partnership deed mandate from the partners is essential indicating who will operate the account limited company
- all the required information mentioned for individual accounts; along with,
- certificate of incorporation
- copy of memorandum and article of association

→certificate of commencement

→Copy of resolution of the board of directors

Dormant account if any account is inoperative for more than one year is called dormant account.

To operate these accounts manager permission is necessary.

### **Transfer of account**

An account can be transferred from branch to branch and only from the same bank. Following steps are considered for this purpose:

Application in written to the manager of the account maintaining branch Manager sends a request to the manager of the desired branch of depositorsSends original account opening application and specimen signature sheet with the Balance remained in the account at he sent manager's request New account is opened at desired branch .Bank receives all kinds of cheque in favor of the client for clearing. When cheque is received it is necessary to endorse it and cross it specially.

Types of cheque explanation clearing process inward clearing

Cheque received from the clearing house of

CityBank Ltd.

Party's a/c...dr.

Respective branch and request them to sent IBC. When it comes, then customer's a/c is credited for the cheque.

When drawer bank honor the cheques, then the account of cheque depositors are credited. Outward clearing cheques for another bank outside the clearing are if any branch of city bank it exists within the clearing house area of drawer bank then cityBank. It descend the cheque to that branch of Citybank Ltd .Inward bills for collection (ibc)from other branch of cityBank Ltd these cheques are settled by ibca, i.e.

Debiting depositor's account and crediting sender's branch account from another bank outside the clearing house these cheques are settled debiting depositor's Account and sending date, month, in favor of sender's bank.

## **Account Opening Department of agrani bank**

**Preface:** As a commercial bank, Agrani Bank Ltd. needs fund for running banking operation and

Investment Agrani Bank Ltd. makes the fund from different sources such as - capital, loan from Bangladesh Bank and loan from commercial bank and deposit collection from different types of People and group of people. Accounts opening section of Agrani Bank Ltd. performs the activities relation to account opening.

**Functions of accounts opening section:**

Accounts opening section perform several types of activities such as:-

- (a) Counseling about different types of accounts and procedure of accounts opening.
- (b) Providing the new cheque book.
- (c) Providing different deposit slip.
- (d) Performing the interest payment activities of National Saving Certificate
- (e) Performing the activities of account opening.

**General Procedure of opening bank a/c:**

The procedure of opening bank a/c differs based of the type of a/c. But a general procedure that most of time, use at the time of account opening is given below:-

**Step-1:** Determining the type of account that will be opened by customer.

**Step-2:** Collection of application form.

**Step-3:** Fill-up application form.

**Step-4:** Introduction.

**Step-5:** Enclosing necessary document with application form.

**Step-6:** Submitting of application form.

**Step-7:** Collection, filling-up and submitting of SS card respectively.

**Step-8:** Collection deposit slip.

**Step-9:** Paying initial deposit.

**General Instruction:**

- a) Please use two Signature Cards for each of the signatories of the account. You may use the extra cards. The signatures in the cards shall have to be attested by the Chairman/Managing Director/Secretary of the Company.
- b) Copies of Memorandum and Articles of Association along with Certificate of Incorporation, Certificate of Commencement (if applicable) duly signed by the Chairman/Managing Director/Secretary of the Company.
- c) Resolution to open an account with the specific branch of a bank e.g. "Agrani Bank Ltd.,

Principal Branch, Dhaka, Bangladesh" and to authorize the person(s) to operate the Account shall have to be taken, a copy of the resolution, duly signed is required.

**d)** A clear instruction for operating the Account i.e. single signature/joint signature, capacity of the signatory(s), amount restriction to signatory(s) etc. should be incorporated in the Board Resolution.

**e)** Signature in all the papers must be supported by respective stamps (Seal).

**DOCUMENTS COMMON TO ALL FOR OPENING AN ACCOUNT:**

**a)** A/c opening Form duly filled in and signed. Proper introduction is a must for opening an account. Signature of the introducer must be verified before opening of the a/c.

**b)** Signature Card (2 copies) - duly filled in and introduced.

**c)** Photographs (2 copies for each individual) duly attested by the introducer

**ISSUANCE OF CHEQUE BOOK:**

**a)** Take requisition slip and verify the signature from the competent authority (Custodian of Specimen Signature Card).

**b)** Be cautious that the receiver is the right person to take delivery of the cheque book.

**c)** Write: Title of the account and account number in the Cheque Book Issue Register. Take a Cheque Book on the basis of the series mentioned in the Cheque Book Issue Register.

**d)** Record Account number on each leaves and on the requisition slip write Title of the Account, issuing date and put a round Seal and get it signed by an authorized signatory

**e)** Record cheque series number on the requisition slip.

**f)** Deliver the Cheque Book after receiving signature on the register.

**g)** Requisition slip is sent to the Computer department for POSTING.

**h)** After posting be kept in the concerned file as per serial number of the cheques

**3. Clearing department of city bank**

Cheques clearing section of city bank ltd. Receives cheque, demand drafts and pay orders of their clients. Upon the receipt of the instrument the cheque clearing section examines three types of payment modules. Whether the paying bank within dhaka city:

The cheques clearing section of city bank ltd dhanmondi branch sends inter branch debit advice (ibda) to the head office on the receiving day of the instruments. The main branch takes those



Instruments to the clearing house on the following day. If the instruments are dishonored, head office of City Bank Ltd sends ibda to the al

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City bank ltd, dhanmondi branch .whether the paying bank of their own branch: the cheque clearing section of city bank ltd dhanmondi branch sends outward bills for collection (obc) to the concerned paying branch to get inter branch credit advice (ibca) from the paying branch. If the paying branch dishonors the instrument, the paying branch returns it to the city

Bank ltd dhanmondi branch describing why the instrument is

Dishonored

### **Types of cheque collected by clearing department:**

Local bills collection cheques (lbc):

Local bills collection cheques are those cheques, which are collected and paid by two different branches of a bank situated in the same city. outward bills collection cheque (obc): obc cheques are those cheques, which are Collected and paid by two different branches of same or different bank situated in the Outstation.

Transfer cheque: transfer cheques are those cheques, which are collected and paid by

The same branch

Clearing house is an arrangement under which member banks agree to meet, through their representatives, at an appointed time and place to deliver instruments drawn on the other and in Exchange, to receive instruments drawn on them. The net amount payable or receivable as the case may be, is settled through an account kept with the controlling bank.

### **Types of clearing**

- Outward clearing: Outward clearing means when a particular branch receives Instruments drawn on the other bank within the clearing zone and those instruments for Collection through the clearing arrangement is considered an outward clearing for that particular branch.

- Inward clearing: when a particular branch receives instruments, which drawn on the M and sent by other member bank for collection are treated as inward clearing.

### **Clearing department of agrani bank**

#### **Clearing House:**

A bankers clearing house is an autonomous institution having its own rules and regulations

for admission of members and sub-members for the conduct of clearing. Clearing is a mechanism through which claims and counter claims of the clearing house members (banks) on account of cheques, drafts, bills, pay orders etc. drawn on each other and deposited by their customers for collection are settled daily. In other words, a clearing house provides a mechanism by which various bankers exchange local cheques, drafts etc. drawn on each other, which are received by them from their customers for collection. Under the clearing system, reciprocal claims of one bank against others are off set and only the net balance or difference between receipts and payments are settled by drawing on the account of the debtor bank maintained with the Central Bank.

### **OUR COMMON FUNCTIONS:**

- a) **Check:** See that the Cheque series number, date, amount, payee, Bank and branch are same as mentioned in the deposit slip.
- b) **Seal:** "Agrani Bank Limited  
(Special Crossing) Principal Branch"  
(On the face of the instrument)

### **OUTWARD CHEQUES:**

Other Bank's Cheques received by us for clearing

- a) Clearing Seal on the face of the Cheque with next clearing day's date.
  - ✓ Posting to Outward Clearing Register.
  - ✓ Posting to computer for next clearing days operation
- b) Endorsement Seal on the overleaf of the cheque/PO/DD as under:  
When the beneficiary is:
  - a) M/s./Personal Name: Payee's A/c credited
  - b) Cash/Self cheque : Received Payment for Agrani Bank Ltd.(can be a/c payee)
  - c) ABL: Received payment for ABL
  - d) ABL, Mr. \_ABL Br. A/c : Received payment & Payee's A/c credited.
  - e) Mr. /M/s\_ A/c\_ ABL., Br : Payee's A/c Credited
  - f) P.O. if deposited: Purchaser's A/c credited.  
(Duly released by the beneficiary)
  - g) Date Change for clearing. : "Date cutting in clearing stamp confirmed"
  - h) Withdrawal of Cheque: "All our clearing stamp and crossing cancelled"

### **PRE-REQUISITE FOR SENDING CHEQUES FOR CLEARING:**

- a) Sort-out the cheques on Bank-wise and branch-wise
  - Prepare Schedule on branch-wise
  - Prepare a global schedule on bank-wise on their local office.
- b) Clearing Summary Sheet be prepared for clearing house (Bank-wise).

### **N.B: BANKERS' CLEARING HOUSE, BANGLADESH BANK BUILDING (2nd FLOOR)**

- a) Record the cheque series number, a/c number, bank's name and the amount in the clearing Register.
- b) In the Summary Statement record total number of cheques and amount against concerned banks name in the "Delivered" column.
- c) Distribute the cheques to the respective banks' tables.
- d) Cheques received by us be posted in our "Received" cheque column of summary statement.
- e) Column "To Pay" or "Delivered" is our CR side.
- f) Original copy of Summary statement be delivered to the House Superintendent of Bangladesh Bank in the clearing house.
- g) Entry in the Inward Register (received instruments).

### **1ST CLEARING HOUSE**

Prepare the following vouchers in the morning on the total clearing cheque/P.O. amount including cheques/POs of other Branches. Assume, total instruments received for clearing(including branches) valued Tk.500/- out of which cheques/POs/DDs of our Principal Branch is Tk.300/-, cheque of our Imamganj Branch is Tk.150/- and a cheque received from our Agrabad Branch through their OBC is Tk.50/-:

**DR:** H.O. Gen. A/c : 10802007 : Tk. 500/-

**DR:** H.O. Gen. A/c: 10802007: Tk. 500/-

Amount of 55 cheques/Pos/DDs (including 10 cheques of Imamganj Branch and 1 cheque of our Agrabad Branch) sent to Clearing House for collection. (Clearing Seal)

Prepare: IBDA to H.O. : Tk. 500/-

Amount of total 55 cheques (cheques/Pos/DDs (including 10 cheques of Imamganj Branch and 1 cheque of our Agrabad Branch) sent to Clearing House for collection.

**CR:** Respective clients' A/c of PB. : Tk. 300/-

(deposit slip treated as CR Voucher)

**CR:** Clearing House A/c: 30631118 : Tk. 150/-

(on branch amount)

**CR:** IBC (Interbranch Collection A/c): 30316895: Tk. 50/-

Amount of cheque No..... Dated ..... drawn on ..... sent for collection vide OBC No..... of Agrabad Branch, Chittagong.

**Note :** Please handover the above vouchers to the Computer Department in the morning as early as possible. Then send all instruments according to bank and branch-wise to Bangladesh Bank for clearing.

#### **Clearing House - Preparation of Voucher:**

Out of the above total cheques/POs/DDs for Tk.500/- sent to 1st clearing House, following cheques/POs/DDs returned unpaid (Bounced)/honoured:

Bounced Honoured

Principal Branch : Tk.100/- Tk.200/-

ImamganjBranch : Tk. 50/- Tk.100/-

AgrabadBranch : Tk.Nil Tk. 50/-

**DR** - Respective Clients' A/c of our Br. : Tk.100/-

(Advice) Amount of Cheque No.\_\_\_\_\_, \_\_\_\_\_ Bank returned unpaid

**CR** - H.O. Gen. A/c : 10802007 : Tk.150/-

(Single) Amount of 6 (six) clearing cheques (Imamganj : 2, Principal: 4) returned unpaid as on \_\_\_\_\_.

#### **4. Remittance department of city bank**

Sending money from one place to another through some charges is called remittance. To pay or receive money of customers in the form of remittance from one place to another, from one person to another inside and outside the national boundary is an earning source of every bank.

. In addition, this service is an important part of country's payment system. Through this service, people can transfer their funds from one place to another place very quickly.

Foreign remittance foreign remittance is to send money of customers from one place to another, from one person to another outside the national boundary.

. Foreign remittance is received by the bank via some internationally authorized agents. There are two medium of agent for foreign remittance at dhanmondi branch, al

**Money gram:** is a money transfer medium/agent serves both domestic & international services. Its identification number consist 12 digits.

**Eldorado:** is another money transfer agent serves only international services. Its identification number consist 17 digits.

The agents are identified by a serial number which has been supplied by the sender to receiver of customer. After digit identification the dealing also verifies the receiver's name with documents of sender and email of the agent. Verifying that, send an email to the agent and transfer the amount to the cash department for payment. Any one of the documents required to identify the receiver are as follows:

- National ID card
- Voter ID card
- Salary statement
- Statement of tuition fees

### **Remittance department of Agrani bank**

**Remittance of fund** means transfer of money from one place to another place or one city to another city of the same bank within the country is called local remittance and fund transferred to outside the country through correspondent agent is called foreign remittance.

This facility is extended to its customers to enable them to avoid risk arising out of theft, loss etc. in carrying of cash money from one place to another for making payment to some one at some

other places or to utilize themselves at some other places. Considering the urgency and nature of transaction the method of remittance may be categorized as under:

- a) Telegraphic Transfer (TT),**
- b) Demand Draft (DD)**
- c) Travelers Cheque (TC)**
- d) Payment order (po)**

### **ISSUANCE OF T.T.**

It is an order from the issuing branch to the drawee branch for payment of certain some of money to the beneficiary.. The payment instruction is sent by Telex/Telephone and funds are paid to the beneficiary on verification of the test number through his account maintained with the drawee branch. It is the quickest method of transferring fund from one place to another.

TT can be made - a) against cash, b) against Cheque & c) against client's a/c debit.

### **PROCEDURE - TT Against Cash :**

Fill up the TT Application Form in **duplicate** (first copy treated as CR voucher to credit H.O. General Account : 10802007 and second copy for the use of customer) by the applicant duly signed by him. Fill up the Commission part meant for Bank's use and arrange to **deposit** the TT amount through TT Application Form and also arrange to deposit Commission and Postage/Cable charge through two separate single CR vouchers as per following:

**CR : Income A/C - Remittance (Voucher) : 40205007**

Amount realized against commission of TT.

**CR : Income A/C - Telex (Voucher) : 40205007**

Amount realized against Telex charge of TT.

### **Issuance of TT:**

On getting the above vouchers duly received by the Cash Department, arrange to do the following:

Provide a Issue Number (TT Number) from the TT Issue Register and TTICA number on the application form.

Provide a Test Number on the TT Application Form.

Send the message over phone/Telex.

Send full set i.e. TT application form, Commission vouchers, CR vouchers for Telex charge to computer department for posting.

Issue a **TTICA** (TT Issuing Credit Advice) on the same day to the responding/drawee branch mentioning full particulars of the TT including the Test number for their confirmation.

**TT Advice & Pay :**

Suppose we have received a TT from our Agrabad branch for Tk.110/- with advice to issue a P.O. favoring Mr. X, CD A/c No.100 with Agrani Bank, Sheraton Branch, Dhaka, in that case prepare the following vouchers after observing all other normal formalities stipulated above:

**DR-** H.O. Gen. A/c : 10802007 : Tk.110/-

**CR-** TT Payable A/c : 30316106 : Tk.110/-

Amount responded against \_\_\_\_\_ Br. TT No. \_\_\_\_\_ dated \_\_\_\_\_ fvg. Mr./ X, CD A/c No.100, Agrani Bank, Sheraton Branch, Dhaka.

**DR-** TT Payable A/c : 30316106 : Tk.110/-

**CR-** Pay Order : 30335006: Tk.100/-

P.O. No. \_\_\_\_\_ issued fvg. Mr. X, CD A/c No.100, Agrani Bank, Sheraton Branch, Dhaka on account of Mr. \_\_\_\_\_ against TT No. \_\_\_\_\_ dated \_\_\_\_\_ of our \_\_\_\_\_ Br.

**CR-** Income Account - Postage : 40205007 : Tk.10/-

Amount realized against postage charge for issuance of Pay Order No. \_\_\_\_\_ dated \_\_\_\_\_ against TT. No. \_\_\_\_\_ dated \_\_\_\_\_ of our \_\_\_\_\_ Br.

- a) Record in the TT Payable Register.
- b) Record in the P.O. Register.
- c) Prepare a letter and send the P.O through Courier Service.

**TT Against Cheque:**

In case TT through a cheque bearing "Yourselves" with following instruction on the overleaf duly signed by the a/c holder(s):

"Please transfer by TT an amount of Tk. \_\_\_\_\_ favoring \_\_\_\_\_, CD Account No. \_\_\_\_\_ with your \_\_\_\_\_ Branch, \_\_\_\_\_.

In this case get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the cheque amount is available to his/their credit with posting and the cheque duly cancelled.

**DR : Client cheque amount**

**CR : Income A/C - Remittance (Voucher) : 40205007**

Amount realized against commission of TT.

**CR** : Income A/C - Telex (Voucher) : 40205007

Amount realized against Telex charge of TT.

Prepare a **DR** Voucher in case cheque amount do not cover **T.T.** amount plus charge and commission subject to client's written concurrence.

## **PAY ORDER**

Payment Order is an instrument issued by a bank with an undertaking to pay the beneficiary on behalf of the client. It is also known as Managerial Cheque and more reliable than cheques. The issuing branch is the paying branch. Pay order is usually issued within the clearing area. There are also some exceptional cases. In that case that the proceeds of Pay Order is collected on collection basis.

### **PO against Cash:**

Fill up the Pay Order application form in Duplicate (First copy treated as **CR** voucher: 30315006 and Second copy for the use of customer) by the applicant duly signed by him. Fill up the Commission part of the application form meant for Bank's use and prepare the Following single CR voucher on the basis of commission amount and arrange to deposit both the vouchers over the counter:

**CR** - Other Fees & Commission : 40207009

Amount realized against commission of P.O. No.

**DR** - Cash

### **Commission rate:**

10000 : Tk. 30/

10,000 - 1,00,000 : Tk. 75/-

100,000 -5,00,000 : Tk.100/-

500,000 - 10,00,000 : Tk.150/-

Above 10 lac :Tk. 200/-

With VAT @ 5% on commission

### **Issuance of Pay Order :**

Cash department on receipt of cash will deliver the above two vouchers to the concerned officer and his function will be to -



- make entry in the P.O. Issue Register duly authenticated and will record Register serial number (control number) on the face of the Application Form.
- Issue Pay Order and write the Register serial number (Control Number) after the block series number on it.
- Ensure that Pay Orders are crossed "A/c Payee" and get it signed by two authorised signatories.
- Receive applicant's signature on the counter-foil of Pay Order and handover the Pay Order to the purchaser.

**Register :**

a) Pay Order Register b) Balance Book - Balancing on daily/weekly & on monthly.

**Encashment of Pay Order:**

- a) Paid through clearing.
- b) Paid cash (subject to Manager written concurrence Pay cash on the PO duly signed)
- c) Payee's a/c credited (a/c maintained in our Bank)
- d) Purchaser's a/c credited (subject to Release of the P.O. by the Payee/beneficiary on the overleaf of the PO).

**Payment of Pay Orders:**

As the Pay Orders are crossed A/c Payee they are not transferable/not negotiable. The Pay Orders are required to be presented to the issuing Branch for payment either through clearing house or for credit to the Payee's A/c.

After presentation of the pay order for payment the concerned officer of the remittance department will enter the date of payment of that particular payment order in the Pay Order Issue Register duly authenticated by an authorized officer. The instrument itself is treated as debit voucher. The related entries are:

Dr - Instrument - 30315006

(Just write A/c No.30315006 on the face of the Pay Order)

CR - Payees A/c

**Exceptions:**

Purchaser may deposit the P.O. to another bank for clearing and if that bank satisfies about the purchaser's identity and endorse on the overleaf of the P.O. "Purchaser's A/c Credited". In that case all liability goes to that bank and we should not dishonour the Pay Order.

**Spoiled Pay Order instrument - Cancellation:**

Pay Order instrument spoiled while preparing the same, should not be destroyed but should be clearly marked as "CANCELLED" and be retained with the counter foil for record purpose.

**PO against A/C DR:**

Use PO application form in TRIPLICATE in case client instructs to debit his account (First copy treated as DR voucher & 2nd copy treated as CR voucher and 3rd copy for the customer). In this case, get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the amount is available to his credit with posting and prepare the following single CR voucher:

**DR** - Client's A/c (through PO Form)

**CR** - Pay Order A/c : 30315006 (PO Form)

**CR** - Other Fees & Commission: 40207009

Amount realised against commission of Pay Order.

**PO against Cheque:**

In case PO through a cheque bearing "Yourselves" with following instruction on the overleaf: "Please issue a Pay Order for Tk. \_\_\_\_\_ favouring \_\_\_\_\_."

In this case get the signature of the account holder verified by the signature verifying authority and confirm that the cheque amount is available to his credit with posting and duly cancelled.

Prepare a separate DR Voucher (with advice) in case cheque amount do not cover PO amount plus Other Fees & Commission subject to client's written concurrence.

**DEMAND DRAFT (DD)**

an instrument in writing containing an order of the issuing Branch upon its another Branch known as drawee Branch for payment of a certain sum of money to the payee or to his order on demand by the beneficiary presenting the draft itself. DD's never become stale.

**PROCESSING INSTRUCTIONS FOR DD:**

- 1) On approach by a customer for issuing a DD, get the application form properly filled up & signed by the applicant.
- 2) Complete the lower portion of the application form meant for Bank's use.
- 3) Calculate the total Taka amount payable including Bank's commission/charges etc.

4) If the purchaser desires his account with the Branch to be debited for the amount of DD, get the A/C number & the A/C holder's signature verified properly from Signature Card on record of the Branch and debit client's account for the total amount including commission/charges etc.

5) If a cheque is presented payment for the DD, get the cheque duly passed for payment by the competent authority and record the particulars of DD of the bank of the cheque.

6) If cash deposit is desired, request the purchaser to deposit the money at the Teller's counter.

7) The Teller, after processing the application form, cash or cheque will validate the application form.

The first copy of the DD application form is treated as "Credit Voucher" to credit Head Office General Account: **10802007** while the second copy is treated as customer's copy.

All the required particulars of all DDs issued should be entered in the DD issue Register duly authenticated. Separate folios should be opened for each drawee branch in the DD issue register.

Each branch should use a running control serial number of their own for issuance of DD on each drawee branch. This control serial No. should be introduced at the beginning of each year which will continue till the end of the year. A fresh number should be introduced at the beginning of the next calendar year & so on.

While issuing Local Drafts of Tk.50,000/= and above, Branch shall put a **TEST NUMBER in RED INK** on the upper portion of the drafts so that the drawee Branch can immediately make payment of the DD on presentation after getting the test agreed, if otherwise found in order.

Issue of Drafts, must be followed by issue of credit advice (IBCA) by the issuing branch to the drawee branch.

Fill up the Commission part meant for Bank's use as per rates prescribed by your Head Office from time to time and arrange to deposit the DD amount through DD application form, Commission and Telex/cable charge through two separate CR vouchers over the cash counter/transfer:

**CR** : Income A/C - Remittance : 40205007

mountrealised against commission of DD. No. drawn on Br.

**CR** : Income A/C - Telex/Postage : 40205007

Amount realised against Telex charge/Postage charge against DD dawn on Br.

**Remittance Charges** : 0.15% of the total DD amount but not less than Tk.50/-

& Postage/telex/cable charge : Tk.50/-.

**ISSUANCE of DD:**

On getting the above vouchers duly received by the Cash Department, arrange to do the following:

Keep a record in the DD Issue Register on branch-wise mentioning full particulars of the DD.

Provide a Issue Number (DD Number, Register Sl. Number & Current year) from the DD Issue Register on branch-wise.

Give a TEST NUMBER on the Application Form in case DD amount is  $\geq$  Tk.50,000/-. Do not provide test number on the face of the DD.

Issue DD and HANDOVER the instrument to the purchaser duly received by him on the overleaf of the perforated portion meant for Banks use.

Inform through Telex/Letter to the responding branch giving full particulars of the DD issued with Test Number on the same day duly signed by two authorised signatories.

Issue IBCA to responding Branch (the branch on which DD was issued) on the DD amount only (excluding Commission and Postage charge) giving full particulars of DD except test number.

**DD placed for payment after receipt of IBCA:**

Record the date of payment in the column payment against advice of the DD payable

Register duly signed by an authorized signatory.

**DR** : DD Payable : 30316007 : Tk.1,00,000/-

(Simply write: 30316007 on the DD instrument)

**CR** : H.O. Gen. A/c : 10802007 (Voucher prepares by Clearing Department)

Amount of \_\_\_\_ cheques/DDs drawn on us and honoured.

**Or**

**CR** : Payees A/c (in case of transfer)

**DD placed but IBCA not received:**

Record the date of payment in the column oepayment without advice of the DD payable

Register duly signed by an authorised signatory.

**DR** : DD paid without advice: 10730009 (write the a/c number on the instrument)

**CR** : Party a/c (Voucher prepares by Clearing Department)

**On subsequent receipt of the credit advice (IBCA) from the issuing branch the following entries should be passed:**

**DR :** HO Gen. A/c (Against IBCA) : 10802007

**CR :** DD Payable : 30316007

Amount responded against IBCA No. \_\_\_\_\_ dated \_\_\_\_\_ for onward payment against DD No. \_\_\_\_\_ favouring \_\_\_\_\_.

**DR :** DD Payable : 30316007

**CR :** DD paid without advice : 10730009

(G-006) Amount paid from DD Paid Without Advice on \_\_\_\_\_ now reversed on receipt of IBCA No. \_\_\_\_\_ dated \_\_\_\_\_ against DD No. \_\_\_\_\_.

**DD against party A/c Debit:**

Use DD application form in TRIPLICATE in case client instructs to debit his account (First copy treated as DR voucher & 2nd copy treated as CR voucher and 3rd copy meant for customer). In this case, get the signature of the account holder verified by the Head Teller/Remittance In charge and confirm that the amount is available to his credit with posting. Other formalities are as usual.

**DD against Cheque:**

In case DD through a cheque bearing "Yourselves" with following instruction on the overleaf:

"Please issue a DD for Tk. \_\_\_\_\_ favouring \_\_\_\_\_, CD Account No. \_\_\_\_\_ with your \_\_\_\_\_ Branch, \_\_\_\_\_.

Prepare a separate DR Voucher (with Advice) in case cheque amount do not cover DD amount plus charge and commission subject to clients written concurrence.

**CANCELLATION of DD:**

Only the purchaser can request the issuing branch for cancellation of a DD. The drawee branch can not cancel a DD. The drawee branch can accept cancellation instructions only from the issuing branch. When a draft is cancelled by the issuing branch the relative entry is reversed on receipt of IBCA from the drawee branch.

At the request of the purchaser, issuing branch can request the drawee branch for cancellation of DD with a request to issue an IBCA. Here Principal Branch is the issuing branch and Agrabad branch is the responding (drawee) branch.

### **STOP PAYMENT OF A DRAFT:**

Normally the payment of a draft cannot be stopped by the bank as it goes against its own commitment in favor of a third party. However, stop payment instructions can only be issued by the issuing branch in special circumstances at the request of the purchaser or payee in case of a lost or stolen draft only. In such cases extreme caution should be exercised both by the issuing and the drawee Branch.

In the above circumstances it can be observed that although the main process for the general banking system of both the banks is same but the functions performed by the department is different also the system through which they are performing their duties. Even though the requirement to open an account in both the banks is same but the remittance department of both the banks is different as well as the interest rates for loans and savings.

## **Chapter 6**

### **Shortcomings of ABL in GB**

- Bureaucratic complexity in Management of ABL is very high in relation to general banking function.
- Management of GB practice excess formalities.
- In absence is service providing mentality.
- Interference of CBA and Officer Somiti in operation of GB

- Lobbying from upper level for doing unfair activities,
- Lacking of motivation in GB personnel due to irregular promotion.
- Absence of using IT application.
- Manual based operation.

## **Dissimilarities between ABL and City Bank in General Banking Operation**

- **Bureaucratic complexity:**

Bureaucratic complexity in Management of ABL is very high in relation to general banking function. On the other hand, there are negligible bureaucratic complexities in Management of private bank.

- **Difference in Objective:**

The objective of private bank like city bank is to earning of profit.

- **Motive:**

Profit is the main motive of private bank. On the other hand, the motive of ABL is to do as agent of Govt.

- **Management:**

There is very strong management in ABL in GB but maintains high formalities. On the other hand, private bank has efficient management team but low formalities.

- **CBA and Officer Somiti:**

Interference of CBA and Officer Somiti is very high in ABL. On the other hand in private bank there is negligible interference of CBA and Officer Somiti

## **Working environment**

The working environment of City bank differs from the Agrani bank a lot. The working environment of employees in the City bank is with the all luxury and comfort such as the bank is fully air conditioned, comfortable sitting arrangement is provided, also the latest technological software for the computer is also available. On the other hand the working environment for the Agrani bank employees does not have the modern luxury like the air conditioner or the latest technological software computer etc.

## **Advantages and disadvantages**



There are several advantages to working in each. Working in the private banks like City bank allows you more room to move around from one position to another. Though every organization has its own set of rules, they tend to be a little more flexible in this sector than in public service. Pay raises are also easier to obtain, as the decisions can be made from within the company, instead of being based on central rules and regulations followed throughout the entire state or government. Another advantage for working in the private sector is the ability to move up quickly in an organization. While this is not impossible to do in the public sector, it can often prove more difficult, as there are tight restrictions placed on the entire process.

There are advantages to working in the public sector as well. Firstly is the stability these jobs often bring. While there can always be special circumstances, it is often harder to be fired from a public job than one in the private sector. This is primarily because in 'right to work' states, private employees can be let go with little to know explanation or justification. This is often not the case for public service workers. Secondly is the benefit packages offered in the public sector. These include great insurance and retirement benefits that often make working for the state or federal government worthwhile, especially for those with families. A thirdly of working for the federal government is the ability to move from one federal position to another and still retain the same benefits, vacation, and sick days. Over time, it all adds up and provides employees the opportunity to plan for holidays, while allowing them to feel more secure in the work force.

There are also disadvantages to working in both the private in public sectors. Firstly of working in the private sector is the lack of benefits. While some companies certainly offer great insurance and retirement packages, they are often not comparable to those offered in the public sector. There are, in some cases, also fewer professional positions for individuals without a degree. Also, the salaries are more competitive, making it more difficult for those with a degree to enter into certain entry-level positions. This is because they are considered to be over qualified by some companies, and more likely to look for a different job sooner rather than later.

Disadvantages to working in the public sector are mostly associated with the lower salaries. On average, the salaries offered in the public sector are not as high as those offered in the private sector. Also, there are many entry-level positions available, but it can be more difficult to work your way up the corporate ladder.



This is because most positions in the federal government are based on a specific degree or equivalent experience, something that is most often nonnegotiable. A third con is the lack of pay raises. Because these decisions are handled across the board, each individual organization is not allowed to make such changes, as is the case with the private sector.

### **Customers Perceptions and Expectations**

Quality expectation and the valuation of services received are slightly more in the private sector banks as compared with the public sector banks. The effects for tactic since sectorial differentiation become very blurry as a result of increasing correspondence between services and struggle from linked and additional industries

Service quality is one of main elements of customer satisfaction and their intention to purchase. However, the customers of public and private sector banks different in terms of their perception of service quality. Private Banks have been observed to be higher on dimensions of service quality: effectiveness and convenient while, the nationalized banks are better on the dimensions of price and consistency Private bank customers are more satisfied with the services then public banks. Managers in the banking sector undertake significant efforts to conduct customer satisfaction surveys and it is appears that customers are saying that they expect good products and quality to their banks and that may the only thing important to them

- **Image and Reputation of Banks**

Some publicly owned banks are scoring well among customers but overall analysis shows that Satisfaction rate in customers of private banks is much higher than public sector banks and people will continue the mortgage with private banks then public because they're impressed by the level of honesty of private banks

- **Performance of Banks**

After the privatizations of state-owned banks, their performances in comparison with other banking groups have increased by 95%. The performance of private banks after privatization of state banks had significant reduces and this reduction indicates that the share of the market of newly privatized state-owned banks increased. Although the performance of privatized state banks after privatization has increase significantly

The economic reforms and the entry of private players have cause nationalized banks to restore their services and product portfolios to incorporate new, innovative customer-centric schemes. Nowadays, due to the rise in competition, customer satisfaction is considered to be the most

important thing in retail services but there is no noteworthy difference in customer satisfaction of public sector and the private sector banks

- **Price and Packages**

Cheque deposits and cheque clearing are most common services used by customers, the charges levied by the bank on these services are higher in private and foreign banks than in nationalized banks. Their study also shows that the customers of public banks were not much satisfied with the behavior of employee and infrastructure, while customers of private and foreign banks were not much satisfied with high charge, approachability and communication. They have also suggested that training on stress management and public dealing should be imparted to the employees of nationalized banks and nationalized banks need to improve their infrastructure and ambience to compete with private and foreign banks in India Credit cards have become a part of life. In recent years there was a lot of demand has been shown for credit cards and there is a lot of scope for credit cards business in India. The credit cardholders consider eleven 'very important' variables which "Satisfied" them are: Joining Fee, Annual fee, Minimum payment due, Cash withdrawal possibility, Availability of ATMs, Life Insurance Cover, Card replacement fee, Air insurance,

- **Location and Infrastructure**

Good sites and suitable site of the branch are essential for bank branches for smooth operation of Banking business. When the private banks were compared with public banks, all the private banks have excellent locations from business point of view and for providing better service to customers proper training should be given to the staff by the banks also public sector banks should invest and concentrate more on staff development where as private sector gives more priority on infrastructural aspects. The rigid policy of public banks creates more dissatisfaction among the customers while for private banks mostly the value of service is the key factor of satisfaction

- **Quality of Customer Services**

First dimension of customer satisfaction for nationalized banks is Service Orientation but, for private banks Service orientation appeared as second dimension and they focuses more on customer satisfaction and nationalized banks give more importance to Flexibility in Use of Services, Vision and Competency. Also customers of nationalized banks had not been given much importance by the executives. On the other hand

## **Chapter 7**

### **ANALYSIS**

- **Sample Size:**

The sample size used in this study is 20. The sample size was low assuming that the homogeneity prevails in customers perception related to service quality. The respondents were the regular customer of CBL visiting Principal branch on regular interval in Motijheel

- **Sampling Technique and Procedure:**

The sampling technique used in this study was random probabilistic in nature. More accurately convenient sampling was used. The sample was taken randomly.

To analyze the customer perception about City bank ltd, I conducted

- **Chi-square Test:**

Chi-square is a statistical test commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis. For example, if we expected 10 of 20 offspring from a cross to be satisfied and the actual observed number was 8 satisfied, then we might want to know about the "goodness to fit" between the observed and expected. Were the deviations (differences between observed and expected) the result of chance, or were they due to other factors. Basically the difference that how much deviation can occur that must conclude that something other than chance is at work, causing the observed to differ from the expected values. The chi-square test is always testing what scientists call the null hypothesis, which states that there is no significant difference between the expected and observed result.

The formula for calculating chi-square ( $\chi^2$ ) is:

That is, chi-square is the sum of the squared difference between observed (O) and the expected (E) data (or the deviation, d), divided by the expected data in all possible categories

To test the customer satisfaction level the hypothesis would be

$H_0$ = Customer are not satisfied with city bank services

$H_1$ = Customer are satisfied with city bank services

All the analysis is done through using software named SPSS. Additionally a time series analysis of lending deposit relationship is also shown.

<b>Analysis of Customer Satisfaction Level of CBL:</b>
--------------------------------------------------------

	N	Mean	Std deviation	Minimum	maximum
<b>Communication with Customer</b>	20	1.2500	0.44426	1.00	2.00
<b>Service Offered</b>	20	1.5000	0.68825	1.00	3.00
<b>Market Reputation</b>	20	1.4000	0.68056	1.00	3.00
<b>Public Confidence</b>	20	1.3500	0.67082	1.00	3.00
<b>Deposit account Service</b>	20	1.5500	0.75915	1.00	3.00
<b>Credit Facilities</b>	20	1.7500	0.85070	1.00	3.00

**Note: Variables – Communication with customer, Service offered Market reputation, Public confidence, Deposit account service, Credit facilities.**

I designed the questionnaire for every respect regarding the employee behavior and overall environment for CBL to find out customer satisfaction level. Expected answer was designed according to – Yes, May be, No. Findings of the analysis are the Mean 1.75 indicates that more than half number of respondents select satisfied answer. Standard deviation is .759 which means the distance of the respondent answer not that much far from one respondent to another respondent

### Test Statistics

	Communication with customer	Service offered	Market reputation	Public confidence	Deposit account service	Credit facilities
Chi-Square(a, b)	5.000	7.600	12.400	15.700	6.700	2.500
Df	1.000	2.000	2.000	2.000	2.000	2.000
Asymp. Sig.	0.025	0.022	0.002	0.000	0.035	0.287

**Note: Variables – Communication with customer, Service offered Market price, Public confidence, Deposit account service, Credit facilities.**

From the following analysis find the result are significant for Delivery/ Responsiveness of employee, communication with employee, service offerings. Both of the variables reject the Null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ) can conclude that customers are satisfied with the CBL present condition. Though there are some significant differences found in case of quality of staff and over all environments. However we can conclude that overall customer is satisfied with the CBL bank performance.

## PERFORMANCE ANALYSIS

The performance of a branch depends on many factors like the people in the branch, the services provided, the technological and infrastructural backings etc. The performance of The City Bank Limited, Motijheel branch will be analyzed according to four criteria:

- i) Products and Services
- ii) People
- iii) Head Office evaluation

### Products and Services:

The City Bank Limited, Motijheel branch provides most of the services that are provided by other The City Bank Limited branches. Most important factors are in the bank to provide the services efficiently and properly to the customers. However it is being tough for the employees to provide the service efficiently and properly to the customer due to centralized system of the bank. Due to the centralized system, file has

to be processed from the head office which takes more time than usual for every case like account opening, card activation, account closing, cheque book requisition, and during FDR opening and closing as well. The problem I faced mostly during my internship period that some customer were dissatisfied with the fact that they were getting the FDR cheque after 4 working days from the opening of the FDR and were able to withdraw the FDR maturity money after 5 days from the maturity date as well due to the centralized system of the bank. Ultimately centralized system gets more time for any kind of file processing which is a dissatisfaction factor to the customer. From that Credit card cheque book, NSB (Student file) and Home loan services and International debit card are the most important. Every day customers come to avail these services and has to be forwarded to other City Bank Limited branches mostly to Dhaka branches. This decreases the business opportunity of the branch. Most importantly credit card cheque facility is very much demanded from the customer point of view. The credit card cheque holders can issue cheques to other banks accounts which give the clients a wider use of their credit card.

Moreover The City Bank Limited doesn't have any DPS scheme like round lump sum amount. Like some other bank is offering such product like BDT 5,000 per month will lead them to BDT 200,000 after 19 months with an 8.3% interest rate. However The City Bank Limited is offering 8.5% interest on DPS from 2 years to 12 years which is larger than 8.3% interest but not giving round lump sum. Basically most of the customer regarding DPS product, want to create a DPS account for th case they want a lump sum amount after a DPS maturity period which is not offering by The City Bank Limited. Another important factor I have noticed during my internship period that some of the customers were dissatisfied after waiting for a long time in the line for withdraw the cash by cheque but at last came to know that they have insufficient fund in their account. Moreover sometimes customer asked the different officer in the bank to check their account that whether there is sufficient fund or not. This ultimately results in a disturbing factor for the employees and sometimes they ignore those types of question from the customer as they have to work under huge pressure to maintain all the things properly. In both cases customers are getting dissatisfied with the service which is very bad for any bank reputation in the market.

One of the most important factor is the file processing of the City Bank limited is much more complex which takes time and tough for the employees to maintain sometimes. Basically for every case especially for any kind of account opening, National ID (NID) card is a very important issue for documentation at present. However most of the NID has some error which causes problems for opening of any kind of account. On the other hand City Bank follows a very strict rules and regulation regarding documentation which results in customer dissatisfaction. As most of the NID has some kind of error like father name spelling mistake or birth date mismatch and so many other types of mismatch factors. Due to the strict policy and rules, City Bank doesn't allow the error in the NID, if there is any error then customer has to correct the error with justification which makes the customer dissatisfied.

Except all the factors mentioned above, City Bank is doing really good in providing services to the customers with the help of “FINACLE” software as work can be done without any error. On the other hand introduction of new service like i-banking, sms banking brought new dimension in customer service. Moreover City Bank at Motijheel branch has the sufficient workforce in the branch that can provide the service properly. Most of the employees work in the Motijheel branch of the City Bank Limited tries their best to provide the better services patiently which ultimately can satisfy the customer and also can achieve the trust of the cu branch got the highest rank among the “C” grade branch of The City Bank Limited in the first quarter of year 2011 as well. As a result of the better services provided by the City Bank, ,



**People:**

The City Bank Limited, Narayanganj branch has a very efficient bunch of employees who gives better dimensions in the performance of the branch as a whole. The Branch Manager, Md. Shariful Aziz is a highly experienced individual with a huge experience in Standard Chartered Bank and Eastern Bank and has a very good knowledge of marketing. He drives the branch in performing so well. Then there is the Customer Service Manager, Md. Abdur Rahman & senior customer service officer Nusrat Zubayda who has been working in The City Bank Limited for more than six years, thus having very good knowledge of the practices of The City Bank Limited. Branch operation manager, Md. Allah Baksh along with customer service manager makes sure that the branch runs smoothly. Another important member of the branch is the Chief Cash and Client Service Officer, Md. Fazlul Haque, He has been working in The City Bank limited for the past fifteen years or so. He is the head teller and is responsible for the smooth functioning of the cash section and the vault. Thus the main responsibilities of the branch lie in the hands of these three individuals management, all this people are doing very good to keep the service at satisfaction level. Other than the three heads of the branch, there are really efficient Relationship manager and other employees who are the backbone of the branch. They ensure that the clients get their required services. These members are very efficient with huge experience. This combination of branch employees has worked very well till now for motijheel branch of The City Bank Limited. However due to less knowledge in computer software system as they are efficient with manual work is hampering the process of doing the service a lot in The City Bank Limited motijheel branch. The City Bank Limited is a centralized banking system and the personnel working their need to work in software like “FINACLE” which sometimes lead them to problem as less computer knowledge and ultimately towards miss management in the branch. For this reason customer feel dissatisfied with the service provided by the officer which is a major concern for the branch. But the things are changing as young people are entering into the banking sector and to The City Bank Limited with proper computer software knowledge. With the proper computer knowledge these people can give better services and can make sure the satisfaction factor of the customer in The City Bank Limited ,motijheel branch. Except some miss eir family members especially for the children. On the three heads of the branch, there are really efficient Relationship manager and other employees who are the backbone of the branch. They ensure that the clients get their required services. These members are very efficient with huge experience. This combination of branch employees has worked very well till now for motijheelbranch of The City Bank Limited. However due to less knowledge in computer software system as they are efficient with manual work is hampering the process of doing the service a lot in The City Bank Limited motijheel branch. The City Bank Limited is a centralized banking system and the personnel working their need to work in software like “FINACLE” which sometimes lead them to problem as less computer knowledge and

ultimately towards miss management in the branch. For this reason customer feel dissatisfied with the service provided by the officer which is a major concern for the branch. But the things are changing as young people are entering into the banking sector and to The City Bank Limited with proper computer software knowledge. With the proper computer knowledge these people can give better services and can make sure the satisfaction factor

### **Head Office Evaluation:**

The Head Office of the City Bank Limited evaluates each branch in two main criteria. These are the Audit report and the service quality report.

### **Audit Report**

The audit report is the evaluation of a branch that is being done on the basis of the smooth and efficient functioning of the branch. Each year, the audit representatives come two to three times to evaluate the functioning of the branch. The main concerns of the audit are proper book keeping, maintaining the vault accurately, proper arrangement of vouchers, error free inputs etc. In a scale of 6motijheel branch has been able to achieve “Satisfactory” from the Audit Report.

e customer in The City Bank However I was fortunate to get the opportunity to see the work done by internal audit that how they basically co- ordinate all the facts and the reconciliation process of the different department in motijheel branch of The City Bank Limited. During that time I passed a hard time for helping the different department officer to reconciliation of their work. After all the effort given by the every personnel specially the manager of the branch, was able to done the task satisfactorily. Moreover by hard work and patient attitude shown by the employees of motijheel branch will lead them to one step further by attaining “Good” grade in the Audit Report for next evaluation Limited, motijheel branch

Poor	Marginal	Fair	Satisfactory	Good	Excellent
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### **Service Quality**

Service Quality Report as the name suggests is the performance of a branch in respect to the quality of services it is providing. Generally representatives of the service quality team visits the branch without notice and checks on the way the employees are providing services to the clients. There are many sectors on which the employees are given points and later these points help evaluate the employees and the branch as a whole. At times, the service quality members come in disguise and take services from the employees and grade them accordingly. Motijheel branch of The City Bank Limited since its inception has been successful in attaining average points in service quality. Out of a scale of 6, motijheel branch of The City Bank Limited has been able to secure a grade of “Average

Very Poor	Poor	Average	Good	Very Good	Excellent
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## Findings

In terms of service, CBL follows centralized banking system which enables it to reduce operating cost & provide better service although it needs more time to serve a customer which sometimes leads to customer dissatisfaction.

- The bank has a diversified retail products & services with attractive features except some products and features like NSB (Student file), International debit card and home loan.
- The bank designed its general banking departments in a way to provide prompt service to the customer with the trust from the customer have in the mind for the branch.
- Use of “FINACLE” software and online branch banking system enables the bank to provide error free service with proper maintaining of the document.
- Introduction of new service like i-banking, sms banking bought new dimension in customer service.
- Employee’s sincere interest in solving customer’s problems has a positive impact on customer satisfaction & in building long term relationship.
- Though the centralize banking system reduce the operating cost but this system increase the time period in processing a file which has a direct negative impact on customer satisfaction.
- In some cases charges for a service a higher than the competing banks which also have a negative impact on customer satisfaction.
- The procedure of opening an account sometimes seems difficult for the customer who doesn’t have proper knowledge regarding account opening. Moreover due to strict policy and others barrier like NID, chairman certificates sometimes customer has to suffer a lot for opening and account. This factor ultimately causes customer dissatisfaction s from the analysis customer are not very satisfied with the service provided by the responsible person of the bank.
- Due to centralized system file processing takes time which ultimately leads to customer dissatisfaction sometimes, as we can see from the analysis that services offered to the customer is the only fact that the customer feels less satisfied.
- In terms of captured and newly issued card, customer gets trouble as it takes at least 3 days to active the card from card division of The City Bank Limited. In some cases it takes more than

## RECOMMENDATION

1. All banking activities should be performed using IT
2. Bank should neglect the manual based operation
3. All branches should be well decorated
4. Staff and officers should speak polite and low voice
5. Bank should introduce new product
6. Bank should consider experience, written test and viva examination in cases of promotion
7. Bank should provide appropriate training
8. Bank should take motivational effort
9. To limit interferences of CBA and Officers' Somiti

## Conclusion

The purpose of the report was to analyze the overall general banking activities of Agrani Bank Limited and compare and contrast them with city bank ltd .The report thus highlighted the problems associated with the bank; these problems were identified from structure, culture, management practices and most importantly from present objectives and strategies.

Agrani bank with its presence in Bangladesh for about 38 years did not make the progress expected of it. From the time of its inception, it had the capabilities: human resources, technology, products and acceptance of the market. As time went by, the bank gradually lost its focus / vision and evidently, market share of the bank dived and so did asset / deposit base.

It is however, not too late for the bank to recover the loss in business. Although ABL, Bangladesh still maintains a profitable operation, growth of the bank is not in sight and “merely existing” cannot be a strategy for the bank.

Some of the strategies thus suggested, involve structural changes in credit administration, treasury and human resources management. These changes will increase motivation of employees, segregate duties and thus will improve efficiency and performance. The paradox of strategy vs. structure gives a defining answer for ABL: while strategy defines the course of action and gives direction, structure paves the way for these to be effectively carried out. In the case of this bank, without the proper structure, strategies are a desperate endeavor.

## APPENDIX

### QUESTIONNAIRE

#### 1) Communication with Customer

- Are the City Bank's facilities attractive?
- When there is a problem in account, does the bank resolve the problem quickly?
- Is it easy to talk to a senior bank officer, when a customer has any problem?

#### 2) Service Offered

- Do you think the service of ATM booth of this bank is good from the other Banks?
- Can the loan officers explain clearly various charges related to the loan?
- Does the cash department provide their service properly?
- Is "online Banking" service beneficial for the customer?

#### 3) Market Reputation

- Does the bank have a good reputation in market?
- Are bankers behaved politely to the customer?
- Do you think CBL is more secure from other banks?

#### 4) Public Confidence

- Does the bankers are acting busy or being rude, when the customer asked question?
- Do you recommend this branch to your friend or business associate?

#### 5) Deposit Account's Service

- Do you think the interest of this Bank on "Deposit" is satisfactory?

#### 6) Credit Facilities

- Is credit card safe from unauthorized use?
- Does the bank highly charge to use their "Visa Debit Card" or "Credit Card"?
- Is CBL's Credit facilities are easy to understand

Does the Bank easily provide "Business Loan"? Do you think the bank takes highly interest from customer, when they provide "Personal Loan"?

Comments:

Others facts:

(same questionnaire followed for Agrani bank)

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**Acronyms:**

ABL	Agrani Bank Limited
CSR	Corporate Social Responsibilities
AGM	Annual general meeting
EGM	Extraordinary general meeting.
GB	General banking
CBL	CITY bank ltd